SHRI P. R. DAS MUNSHI: I will reply to this question very simply. We want to neutralise the cost in order to make the prices competitive. The Soviet Union quotes straightway prices. It is the price determined by the international level. We ourselves will have to look into it. We have to see that our products have matching competitiveness. Therefore, we have to neutralise certain elements by providing C C.S.

World Bank's suggestion for partial privatisation of steel units

*382. SHRIMATI SUDHA VIJAY JOSHI: †

SHRI KALPNATH RAI:

Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has, in its latest report on Indian economy, suggested partial privatisation of the steel units in the country;

(b) if so, what are the reasons adduced by the Bank for such a suggestion; and

(c) whether the suggestion has been considered by Government and any decision taken in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) and (c) Do not arise.

SHRIMATI SUDHA VIJAY JOSHI: Madam, the public sector has been assigned a vital role in the core sector of the economy. In this regard, the importance of public sector has been the corner-stone of our policy. I would like to know from the hon. Minister whether the World Bank has advanced loans in the public sector areas on steel plants and if so, what are the terms and conditions.

SHRI EDUARDO FALEIRO: Presently, the loan has been negotiated with the World Bank to the extent of 50 million U.S. dollars. As the House and the hon. Members are aware, the Steel Authority of India has undertaken a comprehensive restructuring and modernisation programme with an investment of Rs. 1000 crores over the next five years. Out of this amount, a very limited amount of 50 million US dollars has been negotiated with the World Bank. There is no conditionality attached to this loan.

SHRIMATI SUDHA VIJAY JOSHI: I would like to know what steps the Government is going to take for the rejuvenation of the loss-making units. I would also like to know whether the Government is thinking of partial privatisation of the steel units in the country.

SHRI EDUARDO FALEIRO: It has been stated in this House and outside by the concerned Ministers that there is no question of privatisation. This is our position at the moment. I would submit that I cannot go into further details. It does not concern my Ministry.

SHRI GURUDAS DAS GUPTA: Madam, the Government has been declaring that there is no policy on their part to privatise the public sector. That is quite true that proclamations are being made off and on either inside or outside the House. But there is an ominous development and in view of the ominous development, certain factors or certain appointments on the floor of the public sector units become very interesting. I want to know whether the Minister is aware that leading members of the private steel industries are being brought to the public sector either in the capacity of mem-

†The question was actually asked on the floor of the House by Shrimati Sudha Vijay Joshi.

bers of the Board of Directors or they are being appointed in leading positions. There have been cases of people connected with Tata being appointed either as Directors or as leading officers of the public sector steel units. I want to know whether the Minister is aware of such appointments or whether there is any proposal of such appointments in the name of expertise. It is because the Government seeks to solve the problem of losses by bringing in expertise. Therefore, my point is whether people have been appointed or are being appointed in the name of expertise.

SHRI EDUARDO FALEIRO: Madam, you will appreciate that this question is addressed to the Ministry of Finance because it involves the World Bank and the loan by the World Bank. As far as the policies of the Steel Ministry are concerned, this point should be answered by the Minister of Steel and not by the Minister of Finance.

श्री कैलाश पति मिश्र : महोदया, विश्व बैंक जब हमारी किसी परियोजना को स्वीकार करता है तो सामान्यतः इन्फ्रास्ट्रक्चर का सुझाव देता है और इन्फ्रास्ट्रक्चर जब उसके अनुकूल पड़ता है तो तभी वह हमारी परियोजनाओं को स्वीकार करता है । जहां विश्व बैंक का सुझाव है कि इस्पात संस्थानों को राष्ट्रीयकरण की ओर ले जाया जाए । तो क्या भारत सरकार इसे केवल इन्फ्रास्ट्रक्चर के अनुरूप सुझाव मानती है या हमारी आन्तरिक नीति में इसे विश्व बैंक के हस्तक्षेप के रूप में स्वीकार कर रही है ? मैं सरकार से यह भी जानना चाहूंगा कि विश्व बैंक को यह सुझाव देने का उत्साह कैसे जागा ?

SHRI EDUARDO FALEIRO: Madam, no such suggestion has been made by the World Bank to the Government of India. This is the first point. The second point is that all decisions are taken by us based on our own policies. They are not taken on the advice of any external agency, whether it be the World Bank or any other external agency.

SHRI VISHWA BANDHU GUPTA: Madam, I would like to know from the hon. Minister whether the World Bank or the Ministry of Finance have carried out any survey or study to find out whether privatisation of any steel plants, partially or fully, would be a good thing for the economy. That is the main question. Earlier the thrust of the question was, that my hon. colleague had asked, whether they had carried out a study, whether they had conveyed to the Government of India that they should think in terms of privatisation as has been done in the case of some others, e.g. Scooters India Ltd. etc., or whether we have ourselves carried out a study in which we find that it may be better for the country to have privatisation of the steel mills. That is the question.

SHRI EDUARDO FALEIRO: Madam, the Ministry of Finance has carried out no such study as far as the World Bank is concerned. The World Bank officials have their own internal studies being carried out at all times on different subjects but those studies do not necessarily represent the views of the World Bank etc. and in this case I have said specifically that no such views have been conveyed by the World Bank as such to the Government of India. In any case we decide our policy on the basis of our own priorities, on the basis of how they should be conducted and formulated.

DR. (SHRIMATI) SAROJINI MAHISHI: In the latest report of the World Bank they have suggested privatisation of some of the steel mills. Can the World Bank suo motu make this suggestion or are they making the suggestion according to the inclination shown by the Government of India?

SHRI EDUARDO FALEIRO: I have said there is no such inclination. The question of such inclination does not arise at all.

SHRI N. E. BALARAM: Madam, it has appeared in the newspapers, I do not know whether it is true or not, that the World Bank has suggested to Government of India to give more autonomy to the SAIL and the Government of India has accepted that proposal. Is it a fact or not, to give more autonomy to the SAIL, including getting shares from the private market and getting credit from the pruivate market to give more autonomy to the SAIL? Was it accepted by the Government of India? Is it a fact?

SHRI EDUARDO FALEIRO: No such recommendation was accepted by the Government of India.

SHRI BIR BHADRA PRATAP SINGH: To bring it within the parameter of the Ministry of Finance, since many of the Ministers had started talking about privatisation whether in order to forego the losses of Rs. 300 crores incurred by the SAIL and growth of efficiency as in the U.K. and Japan, because the budgetary support for recurring losses will be saved and revenue would grow, would you consider the question of privatisation at any stage?

SHRI EDUARDO FALEIRO: I have said, Madam, that SAIL and the Ministry of Industry are taking steps to modernise and update the technology and restructure comprehensively the steel industry. As far as the other question is concerned, this question is limited. It is limited in the context of the Finance Ministry and the larger question regarding restructuring of the steel industry will not be within our competence

*383. [*The questioner (Shri Rasheed Masood) was absent. For answer,* vide *col.* 32-33 infra.]

Stoppage of work in the Delhi Courts

@*384. SHRI MUKHTIAR SINGH MALIK:†

SHRIMATI RENUKA CHOWDHURY:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that the work in the Delhi Courts has been paralysed since January, 1988;

(b) if so, what are the reason therefor;

(c) what are the details of the demands of the lawyers; and

(d) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (d) A statement is laid on the Table of the House.

Statement

The lawyers of Tis Hazari Courts went on strike following the arrest of one Shri Rajesh Kumar Agnihotri on 15.1 1988 and his subsequent handcuffing at the time of his production before the Magistrate on 16.1.1988. Subsequently other Bar Associations in Delhi also joined in this strike.

@Previously Starred Question 224, transferred from the 10th March, 1988.

†The question was actually asked on the floor of the House by Shri Mukhtiar Singh Malik.